GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:781
ANSWERED ON:21.02.2003
TAX DEDUCTION AT SOURCE
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have come to know that the some organisations are indulging into malpractices by not depositing the TDS amount deducted from incomes to individuals;

(b) if so, the details thereof and the total loss to the exchequer during the last year on this account; and

(c) the remedial measures adopted by the Government to curtail this practice?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN)

(a) Yes sir, In some cases failure to deposit the amount of tax deducted at source has come to the notice of the Government.

(b) Since the default in respect of non-deposit of tax deducted at source is dealt with at the Field Unit level, such details are not centrally maintained. It is mentionable that collection of information from all the Field Unitsin the country would involve substantial time and effort, which may not be commensurate to the objective sought to be achieved.

c) The remedial measures are prescribed in the Income Tax Act, 1961 itself and include recovery of the amount of tax not deposited, levy of interest and penalty and institution of prosecution proceedings.